

**REMARKS**

It is submitted that these claims, as originally presented, are patentably distinct over the prior art cited by the Examiner, and that these claims were in full compliance with the requirements of 35 U.S.C. §112. Changes to these claims, as presented herein, are not made for the purpose of patentability within the meaning of 35 U.S.C. §101, §102, §103 or §112. Rather, these changes are made simply for clarification and to round out the scope of protection to which Applicants are entitled.

Claims 1-15 and amended claims 16-25 are in this application.

Claims 1-15 were allowed.

Claims 16-25 were objected to because of “informalities.” In explaining this objection, the Examiner stated that the phrase “more complexity” in claims 16-25 should be changed to the phrase “more complex.” Claims 16-25 have been amended herein so as to incorporate such changes.

Claims 16-25 were rejected under 35 U.S.C. 102(e) as being anticipated by Reininger et al. (hereinafter referred to as “Reininger”).

Claim 16 as presented herein recites in part the following:

“encoding said source video data **with a predetermined quantization step size** to generate first encoded data;

detecting a difficulty ...;

**deciding an optimum quantization step size, said optimum quantization step size being varied** depending on said difficulty so that said optimum quantization step size becomes smaller when said source video data is more complex and said optimum quantization step size becomes larger when source video data to be encoded is more simple; and

encoding said source video data by using said optimum quantization step on encoding unit basis,

wherein the predetermined quantization step size has a fixed value and the optimum quantization step size has a non-fixed value.” (Underlining and bold added for emphasis.)

Accordingly, in the method of claim 16, encoding is always performed using an “optimum quantization step size” which has “a non-fixed value.” On the other hand, Reininger appears to not always perform encoding using a quantization step having a non-fixed value. Instead, Reininger appears to mainly utilized “fixed” quantization values. In support thereof, reference is made to lines 59-64 of column 2 of Reininger wherein the following is recited:

“Quantization in the present invention is nominally performed using fixed quantization values as long as the total coded data does not exceed a predetermined amount. If it does then only the macroblocks of data that exceed certain limits are adaptively quantized, with all other macroblocks undergoing fixed quantization.” (emphasis ours)

Thus, it is respectfully submitted that claim 16 is distinguishable from Reininger. For somewhat similar reasons, it is also respectfully submitted that claims 17-25 are distinguishable from Reininger.

The Examiner has apparently made of record, but not applied, several U.S. Patents. The applicant appreciates the Examiner’s implicit finding that these references, whether considered alone or in combination with others, do not render the claims of the present application unpatentable.

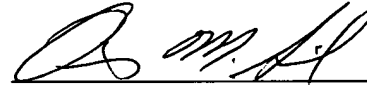
It is to be appreciated that the foregoing comments concerning the disclosures in the cited prior art represent the present opinions of the applicant’s undersigned attorney and, in

the event, that the Examiner disagrees with any such opinions, it is requested that the Examiner indicate where in the reference, there is the bases for a contrary view.

Please charge any fees incurred by reason of this response and not paid herewith to Deposit Account No. 50-0320.

Respectfully submitted,  
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